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TAGS: [ASEC](#) [CASC](#) [MP](#) [PGOV](#) [PREL](#) [PTER](#) [MA](#)

SUBJECT: EAC CONVENED TO DISCUSS POSSIBLE SUSPENSION OF AGOA

REF: ANTANANARIVO 00810

Classified By: RSO BENT FOR REASONS 1.4 B AND D

¶1. (C) An Emergency Action Committee (EAC), chaired by the ambassador and DCM, was convened on December 8 to assess potential security consequences if Madagascar's AGOA eligibility is terminated later this month. There was a general consensus amongst the EAC members that although there might eventually be protests associated with the loss of AGOA, they would not necessarily target U.S. interests or happen instantaneously. More likely suspension will contribute to general dissatisfaction with the HAT government and President Rajoelina (TGV), and actions might not be evident until after the holidays and when the concrete economic effects of the loss are felt in January or February.

¶2. (C) Ambassador Marquardt opened the meeting with an update of ongoing discussions in Maputo, where progress at forming an inclusive transition government has been limited despite the talks having been extended from the planned one day meeting to five days. If this last opportunity to form a consensus government does not succeed, it is likely that Madagascar will indeed lose its AGOA privileges and with them some 50,000 jobs that support possibly 500,000 people.

¶3. (C) Should AGOA be lost, it is expected that there will be a barrage of negative press against the ambassador and/or the Mission/Embassy/USG. But the Public Affairs Officer noted that despite the slanted and uneven Malagasy press, most citizens will understand the reality of the situation - that the loss will have occurred as a result of the shortcomings of the HAT and failure of the Malagasy political elite to take responsibility. It is believed that the Malagasy people are severely disappointed with HAT President Rajoelina, who came to power via a coup promising a better life for the poor and progress for Madagascar. Although many Malagasy viewed the former President Ravalomanana (R8) as corrupt and imperfect, the abuses of power by and under the HAT since his departure are seen as far more extensive. The HAT government's tenure has decreased donor aid, stalled tourism and investment, and now could increase unemployment dramatically. Overall, there is an overwhelming feeling of despair amongst the Malagasy as prospects for economical security decline.

¶4. (C) Although some limited AGOA-related protests may be anticipated, the general EAC consensus was that they will be against High Transition Authority (HAT) President Rajoelina and his government, rather than against U.S. interests. As no announcement will be made until late December, it is likely that the news will be overshadowed by the holidays and that protests will not be organized until January. Additionally, EAC believes that no protests will commence until the economic results of the loss of AGOA are felt concretely in the form of actual layoffs. The Econ Officer noted that possibly 40-50 percent of AGOA jobs (approximately 20,000) would be cut by the end of January and the remainder in February. The officer also noted that longer-term worker dissatisfaction over job losses could be mitigated initially by the immediate benefits of severance packages. There was also consensus that the workers themselves would not be the

force behind any protests, which more likely would be orchestrated and paid for by opposing political parties against the HAT. A few members mentioned that once the heat would be turned on TGV, he would in turn attempt to scapegoat the U.S.

¶15. (C) Another worrisome outcome of the AGOA pullback with be the effect on the already burgeoning crime rate in Madagascar (REFTEL). As noted over the last two years, the frequency and level of crime has increased significantly, especially in the run-up to the holidays. As the financial effects of loss of AGOA are felt, we anticipate a further deterioration. The mission LES staff have expressed their fears of being targeted as they occupy a fairly comfortable middle class status. Following the last EAC, adequate measures are already in place to respond to rising crime.

¶16. (C) The EAC agreed that if indeed AGOA is cut, the formal announcement should be generated in DC and not locally by the Embassy. A proposal was put forward to push for more statements in a multilateral context rather than unilaterally by the U.S. mission or the ambassador. We should push for the UN and other missions to emphasize that AGOA suspension is just a part of an overall pattern of negative donor responses to the continuing political impasse in Madagascar, with further sanctions and consequences if the impasse continues. Noting the power of word of mouth, chat rooms and other informal methods of communication in Madagascar, the Mission will distribute a one-page "fact sheet" in English, French and Malagasy with talking points regarding continuing U.S. engagement in and contributions to Madagascar's development. This will be shared with all employees and dependents, as well as outside the mission. The ambassador stressed that the U.S. Government is still engaged in significant assistance to Madagascar, through programs like the Peace Corps and USAID, and asked the Mission community to continue to promote understanding of those efforts. Additionally, we will continue and accelerate high-profile PD efforts to call media and public attention to such programs.

¶17. (C) The EAC recommended that if workers do seek to protest, they should be allowed to do so at a location that does not compromise mission security. RSO will work with local security forces to establish parameters for such protests while protecting the Chancery and mission staff. Similar plans will also be developed for the USAID Offices, which are co-located with the European Union in the Zital Building. EU sanctions are the likely next shoe to fall (after the New Year) and so protests at that location are also a possibility. RSO will also review and update provisions for the ambassador's personal and residential security.

MARQUARDT